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GEORGIA STATE UNIVERSITY FORECAST

Georgia and Atlanta
1979 — 1981

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FORECAST OF GEORGIA and ATLANTA 1979-1981, May 13, 1980

RECESSIONARY SIGNS APPEAR IN GEORGIA'S ECONOMY

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Recent Activity

In the first quarter, and particularly in the month of March, Georgia's economic indicators turned decidely negative. The coincident indicators, which measure current conditions in the Georgia economy, fell throughout the quarter. Initial weakness was farm related, but financial restrictions began to dominate as the quarter came to an end. According to these estimates, economic activity in Georgia fell at a 2.8% annual rate in the first quarter as compared to a 1.1% preliminary gain reported for the nation. Despite this weakness, Georgia's economy still expanded slightly faster than nationwide in the last year.

Only two of the coincident indicators continued to show improvement during the quarter. First, the value of unemployment claims adjusted for inflation fell modestly. This is consistent with estimates of unemployment in Georgia, which trended down throughout the quarter and reached a level of 5.0% in March, as compared to 6.6% nationwide. Second, the index of hours worked grew significantly throughout the quarter. This strength in employment opportunities is confirmed by seasonally adjusted estimates of employment as contained in table 5.

Unfortunately, the favorable employment figures are not confirmed by the performance in other parts of the economy. Bank loans have slumped at historically high rates, while bank deposits also are dropping sharply. Even though unemployment claims remain modest, the insured unemployment rate is trending upward noticeably. Georgia's farm economy is in a severe recession, while the obvious loss in productivity, reflected by a strong gain in hours worked and weak performance elsewhere, finally has begun to affect corporate profits.

In 1974, the employment statistics also were slow to reflect underlying weakness. The full impact of the economic decline was not exposed until the benchmark revisions of 1975 and 1976. This inability to measure significant economic changes may again be developing in the Georgia statistics.

According to the leading indicators, further weakness is in store for the Georgia economy. During the last twelve months through March, the index decreased 1.2%, which would suggest a 1.7% decline in Georgia economic activity during 1980. Moreover, economic weakness has intensified, as the leading indicators in March registered their second largest decline since the series was developed in the mid 1960's. Thus, a plunge in the Georgia economy of nearly three percentage points between the peak month of December 1979 and the trough sometime in 1980 might

develop. While such a decline is definitely noticeable, it would only be about one-third as severe as the sharp economic dislocation that Georgia experienced in 1974-1975.

Prior to this onset of weakness, the Georgia economy was performing slightly better than the nation as a whole. Georgia's personal income in the fourth quarter increased by 3.0% as compared with 2.9% nationwide. Furthermore, wage and salary disbursements grew 2.9% in Georgia as compared to 2.6% in the United States. Thus, national personal income was being aided by substantial increases in unemployment insurance benefits. In the industry sectors, military payroll showed the largest percentage increase (5.4%), but this is normal in the fourth quarter of each year. Indeed, military payrolls grew at a slower rate in Georgia than in the country as a whole. The reported statistics show that state and local government payrolls in Georgia have been virtually flat since the second quarter of 1979. Table 5 does show that seasonally adjusted employment in state and local activities tended to trend modestly downward in the latter part of the year. However, government payrolls moved sharply upward early in 1980.

Except in agriculture, no Georgia sector showed payroll weakness late in 1979. The largest areas of strength were services (5.0%), transportation services (4.0%), and wholesale trade (3.8%). Increases were most modest for retail trade (2.3%) and the finance group (2.5%). Nationwide, the areas of strength and weakness during the fourth quarter were very similar with one exception. Payrolls in the durable goods industries already were slumping nationally while they continued to move slowly forward in Georgia.

Although table 5 suggests that employment in Georgia increased at a 3.9% annual rate in the first quarter, these figures must be viewed with suspicion. First, contract construction showed a sizeable increase in Georgia while it was declining nationwide. It is true that housing activity in the first two months of the first quarter were surprisingly strong. However, any gains that otherwise would have occurred in that quarter were resoundly eliminated by a collapse in activity during March. The construction sector also is gaining considerable support from a continuing surge in nonresidential construction contracts. This component of our leading indicators has been growing at an inflation adjusted rate of 10% per month in the first three months of this year. While these gains will moderate the rate of decline in contract construction, the collapse of the housing market certainly suggests that construction will be among the weakest links in the Georgia economy for the remainder of 1980.

Second, several areas of manufacturing activity in Georgia were showing gains or only modest declines while they were slumping sharply nationwide. The lumber category, which fell 3% nationwide in April, registered an increase in the first quarter of 1980. Already, plant closings indicate that this number will decline significantly. Fabricated metals continued to trend upward in Georgia while they are decidedly trending downward nationwide. Transportation equipment shows only a modest decline in Georgia despite a dramatic decline in total domestic automobile sales nationwide. While textiles are trending down because of reductions in the carpet industry, the magnitude of the decline appears to be very modest given the contraction and orders. A continuing upward trend in the apparel industry cannot be sustained, now that consumers have completely with-

drawn from the market. Thus, even if paper, printing and chemicals preserve their current upward trends, manufacturing payrolls probably already have peaked for this business cycle in Georgia.

In the service categories, transportation services should continue to trend upward despite the decline in airline traffic. The extention of Hartsfield airport is primarily responsible for this unusual growth pattern during a recession. Also, the service and retail trade sector should continue to exhibit modest growth paths. Wholesale trade, on the other hand, appears to be in excess of other economic activity in Georgia and may suffer a noticeable decline. Finally, the government sector is continuing to add to economic activity, despite a continuing reduction in federal employment, excluding census personnel. This is probably a lagged response to relatively favorable budgetary conditions in Georgia during the last fiscal year. Next year, however, some fiscal stringency is anticipated.

Through much of 1979, the Atlanta Consumer Price Index grew at a slower rate than nationwide. Early in 1980, however, the differential inflation gap had been closed. The important food and housing categories continued to grow at a slower rate in Atlanta than nationwide. However, rents, which trailed national rates early in the year, were more than a percentage point above the national average for the latest twelve month period. Home ownership costs also narrowed the gap between Georgia and the nation. More modest increases in the cost of fuel offset this impact, primarily because the lower rising fuel components of electricity and natural gas are more important in the Georgia economy than they are nationwide.

The slower price acceleration in food and housing was offset by more rapid price increases in apparel (8.4% vs 6.5%), and transportation (27.7% vs 22.5%). Medical care services continued to be a relative bargain in Atlanta, rising 7.9% as compared with a 10.9% gain nationwide.

Although personal income and inflation rates were comparable in Georgia and in the United States, retail sales in the Atlanta region appear to be growing slightly above the national average. During 1979, Atlanta retail sales grew 13% as compared to 11% nationwide. For nondurable stores, the gain was 23% in Atlanta vs 11% nationwide. This two percentage point differential between retail sales growth in Georgia and the United States has persisted for the last half of 1979. In January 1980, department store sales in Atlanta continued to trail national rates by a percentage point. However, weakness has surfaced in other parts of the state. In Augusta, sales actually fell below previous year levels and trailed national rates by thirteen percentage points. Department store sales in Macon showed no gains from previous year levels, but sales in Savannah were off 8%, sharply narrowing the gap that has existed between Savannah and the national average. Taxable sales in the fourth quarter rebounded slightly to grow 9.5%, as compared to an 8.8% gain from previous year levels during the summer. Nevertheless, both quarterly gains were below the 10.5% improvement for the year as a whole. In March, the effective mortgage rate for newly built homes in Atlanta was 14.94% for a 75% mortgage. This was a staggering 4.40 percentage point increase from the previous year. Nationwide, the

rate was a slightly lower 14.6%, while the increase also was modestly smaller at 4.01 percentage points. This more rapid upward movement in the effective rate for mortgages in Atlanta clearly reflects the relative restraint that tight money has had upon the Atlanta market. Indeed, the effective mortgage rate rose 2.07 percentage points in the month of March alone. Fortunately, the collapse in short-term interest rates means that the cost of borrowing funds by lending institutions is beginning to decline. If these conditions are maintained, as we expect, the conventional mortgage rate should decline to the vicinity of 12% by the end of summer. While decreases below that rate are possible, a return to single-digit mortgage rates is not imminent.

Our monthly indicators show that adjusted savings capital and adjusted mortgages outstanding at mortgage lending institutions continued their 1% per month declines in the early weeks following the March 14th credit restrictions. Unfortunately, our more complete information on savings and loan activity predate the March initiative. At that time, activity at savings associations was more favorable in the southeast than in the nation or in Georgia. For example, mortgage commitments declined 19.2% in the southeast, while they declined 25.7% nationwide and 26.3% in Georgia. Actually, savings capital showed the greatest expansion in Georgia, rising 2.0% as compared to 1.8% for the southeast and 1.7% for the nation. However, this savings capital was not going into mortgages, as mortgages outstanding grew only 0.7% in Georgia as compared with 1.3% in southeast and 0.9% nationwide. Clearly, the Georgia associations assumed that mortgage rates were heading higher and did not wish to make significant mortgage commitments under those circumstances. Of course, their assumptions proved to be correct.

Georgia's tax information, which partially reflects the abrupt slowing in economic activity in March, has begun to show a mixed performance. Sales tax receipts, possibly aided by the relative acceleration of inflation in Georgia, continued to rebound to a 14.9% gain in the winter following gains of 12.6%, 11.4%, 9.4% and 13.6% in previous quarters. Nationally, the sales tax receipts by state and local governments reflected the slump in consumer activity. There, receipts slowed to an 8.0% gain following year-of-year gains of 8.4%, 9.4%, 8.1%, and 13.4% in previous quarters. Unfortunately, all the tax measures in Georgia showed developing signs of slowing. Income tax collections slowed to an 18.0% rate of gain following increases of 21.2%, 19.4%, 17.1%, and 30.8% in previous quarters. Nationwide, income tax collections also slowed, but only to 7.7% from 8.0%, 8.1%, 1.4% and 3.3% during previous quarters. Similarly, the poor productivity performance implied by our coincident indicators for Georgia appears to be reflected in corporate tax accruals. Total accruals slowed to only a 4.4% annual rate of gain following increases of 9.1%, 11.7%, 7.4% and 7.7% in previous quarters. For all state and local governments, corporate tax accruals appear to have accelerated in the first quarter to a 14.9% rate of increase following gains of 6.5%, 14.0%, 9.6% and 35.6% in previous quarters. Obviously, the slowing in all tax collections except the inflation responsive sales tax has led to a significant slowing in total

revenues. In the latest quarter, revenues have slowed to a 10.5% rate of gain following increases of 12.9% and 11.7% in previous quarters. While revenues for the current fiscal year probably will exceed 11.0% by a small amount, it now appears that revenue growth for the next fiscal year will be in the single-digit range. Indeed, sales tax receipts should slow sharply while corporate tax accruals can fall into negative territory for a short period of time. Under these circumstances, state revenues probably may not grow more than 9% in the next fiscal year.

Summary of Outlook

Already, the leading indicators suggest that economic activity in Georgia will decline by 1.7% in 1980. However, continuing weakness in the leading indicators suggests that this forecast will be revised downward in subsequent months. The first two percentage point reduction in economic activity can be absorbed by changes in the workweek. However, any further erosion in production almost certainly will lead to some reduction in employemnt opportunities.

All goods producing industries are expected to show significant declines in employment opportunities in 1980, but none of this is expected to spread to the service oriented industries. The greatest weakness is expected to be in construction, where employemnt is expected to plunge by 8.5%; within manufacturing, transportation equipment should show the largest decline, a 10.6% reduction. Only modest reductions are anticipated for textiles, while apparel may eke out a minimal rate of expansion. Fortunately, the expansion at Hartsfield airport will ensure some growth in transportation services throughout the year. While a significant correction in wholesale trade activity is possible, we do not anticipate that the adjustments will be completed until 1981. By that time, the remainder of the economy will be expanding. As state and local payrolls appear to be expanding at a rapid rate in 1980, overall employment is still expected to grow in Georgia. However, the rate of increase is reduced to only 1%.

Most of the employemnt weakness will appear in the second half of the year. As a result, while 1981 will be a recovery year, it will be recovering from a significantly lower base than the average employment rates for 1980. Thus, most industries are expected to show minimal employment expansion on a year to year comparison basis. Nevertheless, a noticeable recovery is anticipated, with construction leading the expansion.

The unemployment rate will increase about one percentage point in 1980 and another full percentage point in 1981. Nevertheless, this would mean that unemployment rates would topout at about 7.5%, well below the nearly 9% unemployment rate projected for the United States. While the outlook does not look good, it is considerably better than in many other parts of the United States.

Housing Plunge Makes Recession Likely in Atlanta

After exceeding 1979 levels by more than 300 in the first two months, single family housing permits in Atlanta plunged 58% in March. With multi-family activity at near standstill following a sharp surge early in 1979, total housing permits already are 2,000 units below 1979 rates. Even with interest rates beginning to soften and an expected mortgage rate at 12% before the end of summer, multi-family permits may fall 58% to 2,500 units in 1980. Single-family units should recover late in the year, but current weakness suggests that permits for 1980 will barely exceed 12,000. This total of only 14,500 units permitted for 1980 means that housing permits are expected to fall by nearly 30%. While this is slightly more favorable than the 35% decline in permits expected nationwide, the decline should have a significant impact upon construction employment.

The recession may reduce household formations by nearly 25% from the estimated 20,000 that occurred in 1979. At current construction rates, the existing imbalance between housing demand and supply will intensify. High interest rates have stalled the upward movement of housing prices, but this is expected to be a very temporary development. On the other hand, rental rates continued to rise sharply. If multi-family activity remains as depressed as earlier this year, sharp increases in rents may develop before the end of 1980.

Multi-family activity in Fulton county has shrunk from 1,047 in 1979 to 175 in the first three months of 1980. Single-family activity in Fulton county is down only 11.6% to 390 units in the first three months. The only other area showing multi-family activity at the present time is Dekalb county. Here, units are 48 vs no permits in the first three months of 1979. Cobb county, which had more than a thousand permits for multi-family activity in 1979 has only permitted two multi-family units in the first three months of 1980. After a strong beginning, single-family activity in Cobb county is 27% below 1979 rates. Clayton county activity is 14.6% below the first three months of 1979. Single activity in Dekalb county is 31.5% below a year ago. Activity in Gwinnett county also slowed sharply in March, but single-family permits currently are only 6.3% below previous year levels. Of the smaller counties, activity in Cherokee county in off 28%, while activity in Rockdale county is down about 16%. There seems little doubt that Gwinnett county will produce more housing than any other county for 1980. Including Lawrenceville and Snellville, permits should exceed 3,500 for that county. Activity in Cobb county may not exceed 2,500, a sharp decline from the 4,804 permits issued last year. Fulton county may do 1,500 single permits but will do less than 1,000 multi-family units. Dekalb county is expected to permit only slightly more than 1,500 units, while Cherokee county will not maintain the growth path that had developed previously. Both Cherokee and Clayton counties will continue to struggle for fifth place and neither is expected to permit more than 700 units.

Prior to the credit restraints in March, savings activity in Atlanta mirrored performances through the state. While savings capital grew a reasonable 2.0%, mortgages outstanding rose only 0.7%. Furthermore, a slump in mortgage commitments of 29.3% suggested that weakness would continue for several more months.

The construction picture in Atlanta is not all gloom and doom. The Coldwell Banker Industrial Vacancy Index declined to a 2.6% level, well below the 3.4% estimated nationwide. Moreover, the nonresidential construction contracts that were growing so sharply for Georgia appeared to be heavily concentrated in the Atlanta area. Of course, the Coldwell Banker Office Vacancy Index increased modestly in Atlanta during the last three months. Also, employment and wholesale trade have been unusually strong relative to economic activity in Atlanta. Thus, some of that low vacancy for industrial space may indicate excess capacity in this recessionary economy.

After a modest summer retail slump in Atlanta, taxable sales rose sharply relative to activity in Georgia. For the entire year, taxable sales grew 11.9% in the metro areas compared to 10.4% in Georgia. In the fourth quarter, the comparative performance was 11.5% for Atlanta and 9.5% for Georgia. Sales taxes in Clayton county continued to slow, but remained slightly above performance in Georgia during the fourth quarter. Cobb county continued to show steady but unspectacular 13% gains in taxable sales. Dekalb county showed some improvement from third quarter weakness as taxable sales grew 11.5% in the fourth quarter from previous year levels. Fulton county also recovered, but taxable sales remained below Georgia's average by a small amount. Gwinnett, on the other hand, continued to register spectacular rates of increase with taxable sales 28.6% above previous year levels in the fourth quarter. Thus the emerging pattern of strong growth in Gwinnett county followed by moderate rates of gain in Cobb and Clayton counties and some weakness in Fulton oounty continues to be observed.

Employment in Atlanta is expected to grow more rapidly than in Georgia despite sharper weakness in construction and manufacturing activity. Because of a sharp drop in transportation equipment, durable manufacturing payrolls are expected to decline by 4%. The relatively small textile and apparel industries in Atlanta are expected to show modest declines in both 1980 and 1981. However, the Hartsfield expansion assures significant growth in transportation services both in 1980 and 1981. While wholesale trade almost certainly will decline slightly later this year and the real estate sector is in a significant slump, service payrolls and especially payrolls for state and local governments are expected to continue to expand strongly. While the employment projections continue to exceed recessionary levels, some of these estimates may prove to be too optimistic. Certainly, wholesale trade could begin to plunge more rapidly than anticipated here. However, retail employment is appropriate for the volume of retail activity that has developed in the Atlanta area. In addition, business services, especially lawyers and accountants, continue to expand rapidly. For that reason, any recession in Atlanta should prove to be relatively short lived and relatively mild.

Georgia State University
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May 1980

Table 1 Georgia Wage & Salary Employment for 1978 and 979 With Forecasts for 1980 and 1981

Industry	1978	1979	1980	1981	78-79	79-80	80-81
Mining	7.5	7.7	7.7	7.8	2.7	0.0	1.3
Contract Construction	101.2	98.1	89.7	92.8	-3.2	-8.5	3.5
Manufacturing	515.8	527.1	521.7	526.4	2.2	-1.0	0.9
Durables	*176.7*	*184.1*	*181.8*	*184.8*	*4.2*	*-1.2*	*1.7*
Lumber	29.2	30.7	31.0	31.7	5.1	1.0	2.3
Furniture	9.8	10.0	9.7	9.9	2.0	-3.0	2.1
Stone, Clay, Glass	18.0	18.3	18.3	18.6	1.7	0.0	1.6
Primary Metals	15.5	16.5	16.7	16.6	6.5	1.2	-0.6
Fabricated Metals	20.6	21.3	21.4	21.2	3.4	0.5	-0.9
Nonelectrical Machinery	19.8	21.8	22.4	22.5	10.1	3.2	0.4
Electrical Machinery	18.3	19.2	19.6	19.9	4.9	2.1	1.5
Transportation Equipment	34.3	34.8	31.1	32.7	1.5	-10.6	5.1
Other Durables	11.2	11.7	11.6	11.7	4.5	-0.9	0.9
Nondurables	*339.1*	*343.0*	*339.9*	*341.6*	*1.2*	*-0.9*	*0.5*
Food	56.4	57.9	57.7	59.3	2.7	-0.2	2.8
Textiles	123.7	122.9	119.6	120.1	-0.6	-2.7	0.4
Apparel	74.5	74.7	74.9	74.6	0.3	0.3	-0.4
Paper	27.3	27.8	27.8	27.7	1.8	0.0	-0.4
Printing	21.4	22.7	23.7	24.0	6.1	4.4	1.3
Chemicals	16.1	16.4	16.8	16.7	1.9	2.4	-0.6
Leather	2.8	2.5	2.3	2.2	-10.7	-8.0	-4.3
Other Nondurables	17.0	18.2	17.1	17.0	7.1	-6.0	-0.6
Transportation, Comm. & Utilities	129.1	136.1	141.3	144.1	5.5	3.7	2.0
Trade	476.0	493.5	502.3	507.7	3.7	1.8	1.1
Wholesale	*149.0*	*156.5*	*160.9*	*160.5*	*5.0*	*2.7*	*-0.2*
Retail	*327.0*	*337.0*	*341.4*	*347.2*	*3.1*	*1.3*	*1.7*
Finance. Ins. & Real Estate	103.6	107.0	109.0	110.5	3.3	1.9	1.4
Services	309.1	326.9	335.2	340.6	5.8	2.5	1.6
Government	407.9	417.7	428.5	432.2	2.4	2.6	0.9
Federal	*82.8*	*82.1*	*81.6*	*81.0*	*-0.8*	*-0.6*	*-0.7*
State & Local	*325.0*	*335.6*	*346.9*	*351.2*	*3.3*	*3.3*	*1.2*
Total Wage & Salary Employment	2050.1	2114.1	2135.4	2162.1	3.1	1.0	1.2

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May 1980

Table 2

Estimated Georgia Personal Income
(Millions of Dollars)

	1978	1979	1980	1981	77-78	78-79	79-80	80-81
Wage & Salary Income	23361	26040	28011	30622	12.2	11.5	7.6	9.3
Other Labor Income	2114	2438	2831	3210	14.7	15.3	16.1	13.4
Proprietors' Income	2238	2253	2116	2349	31.6	0.7	-6.1	11.0
Farm	*593*	*493*	*277*	*462*	*189.3*	*-16.9*	*-43.8*	*66.8*
Nonfarm	*1645*	*1760*	*1839*	*1887*	*10.0*	*7.0*	*4.5*	*2.6*
Labor & Proprietors' Income:								
Farm	781	718	517	715	114.6	-8.1	-28.0	38.3
Mining	114	128	141	156	9.9	12.3	10.2	10.8
Contract Construction	1513	1607	1583	1749	15.9	6.2	-1.5	10.5
Manufacturing	6574	7385	7778	8470	11.4	12.3	15.3	8.9
Durables	*2613*	*2963*	*3087*	*3390*	*12.8*	*13.4*	*4.2*	*9.8*
Nondurables	*3962*	*4422*	*4691*	*5080*	*10.5*	*11.6*	*6.1*	*8.3*
Trade	5354	5969	6417	6988	13.9	11.5	7.5	8.9
Finance, Insurance & Real Estate	1565	1756	192[illegible]	2112	11.3	12.2	9.6	9.7
Transportation & Utilities	2614	3033	3409	3767	16.0	16.0	12.4	10.5
Services	3974	4485	4979	5482	13.2	12.9	11.0	10.1
Other Industries	96	110	121	136	15.1	14.6	10.0	12.4
Government	5129	5541	6088	6606	8.2	8.0	9.9	8.5
Federal Civilian	*1418*	*1535*	*1636*	*1747*	*6.4*	*8.3*	*6.6*	*6.8*
Federal Military	*726*	*783*	*855*	*963*	*8.0*	*7.9*	*9.2*	*12.6*
State & Local	*2986*	*3223*	*3597*	*3896*	*9.2*	*7.9*	*11.6*	*8.3*
Property Income	3875	4456	5120	5765	13.2	15.0	14.9	12.6
State U.I. Benefits	109	111	221	275	-31.0	1.8	99.1	24.4
Other Transfers	4291	4873	5667	6483	9.6	13.6	16.3	14.4
Less: Social Ins. Contributions	1439	1618	1801	2087	11.7	12.4	11.3	15.9
Residence Adjustment	-84	-96	-105	-109	----	----	----	----
Total Personal Income	34465	38456	42060	46508	13.1	11.6	9.4	10.6
Nonfarm Personal Income	33684	37738	41543	45793	11.8	12.0	10.1	10.2
% of U.S. Nonfarm	2.01	2.01	2.01	2.01	----	----	----	----

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Table 3 Atlanta SMSA Wage & Salary Employment for 1978 and 1979 With Forecasts for 1980 and 1981

	1978	1979	1980	1981	78-79	79-80	80-81
Industry							
Contract Construction	41.2	39.9	35.9	37.4	-3.2	-10.0	4.2
Manufacturing	138.4	142.3	139.1	141.9	2.8	-2.2	2.0
Durables	*68.4*	*70.8*	*68.0*	*70.6*	*3.5*	*-4.0*	*3.8*
Lumber	3.2	3.3	3.5	3.8	3.1	6.1	8.6
Furniture	3.5	3.6	3.3	3.4	2.9	-8.3	3.0
Stone, Clay, Glass	7.6	7.3	7.2	7.4	-4.0	0.0	2.8
Primary Metals	4.6	5.0	5.1	5.1	8.7	2.0	0.0
Fabricated Metals	8.0	8.2	7.6	7.5	2.5	-7.3	-1.3
Nonelectrical Machinery	6.1	6.7	6.9	6.9	9.8	3.0	0.0
Electrical Machinery	8.0	9.3	9.7	9.9	16.3	4.3	2.1
Transportation Equipment	24.1	24.0	21.4	23.2	-0.4	-10.8	8.4
Other Durables	3.3	3.4	3.3	3.4	3.0	-2.9	3.0
Nondurables	*70.0*	*71.5*	*71.1*	*71.3*	*2.1*	*-0.6*	*0.3*
Food	19.0	19.1	19.2	19.5	0.5	0.5	1.6
Textiles	7.3	7.4	7.3	7.2	1.4	-1.4	-1.4
Apparel	10.1	10.2	10.0	9.9	1.0	-2.0	-1.0
Paper	7.6	7.7	7.7	7.7	1.3	0.0	0.0
Printing	14.0	14.5	14.8	15.0	3.6	2.1	1.4
Chemicals	6.9	6.8	6.8	6.7	-1.4	0.0	-1.5
Other Nondurables	5.1	5.6	5.3	5.3	9.8	-5.4	0.0
Transportation	77.5	84.5	87.8	90.6	9.0	3.9	3.2
Trade	247.5	257.5	265.2	268.5	4.0	3.0	1.2
Wholesale	*93.2*	*100.3*	*106.3*	*106.0*	*7.6*	*6.0*	*-0.3*
Retail	*154.3*	*157.2*	*158.9*	*162.5*	*1.9*	*1.0*	*2.3*
Finance, Insurance & Real Estate	60.2	63.7	63.6	64.9	5.8	0.0	2.0
Services	174.4	186.5	193.3	198.2	6.9	3.5	2.5
Government	149.1	156.7	162.8	165.2	5.1	4.0	1.5
Federal	*30.6*	*31.5*	*30.2*	*29.9*	*2.9*	*-4.1*	*-1.0*
State & Local	*118.5*	*125.2*	*132.6*	*135.3*	*5.7*	*6.0*	*2.0*
Total Wage & Salary Employment	888.4	931.0	947.7	966.7	4.8	1.8	2.0

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Table 4

Atlanta SMSA Personal Income for 1978 With Estimates for 1979 and Forecasts for 1980 and 1981

	1978	1979	1980	1981	78-79	79-80	80-81
Total Personal Income*	15041	17065	18772	20806	13.5	10.0	10.8
Wage & Salary	11128	12590	13609	14976	13.1	8.1	10.0
Other Labor Income	1065	1231	1418	1618	15.6	15.2	14.1
Proprietors' Income	745	795	803	832	6.7	1.0	3.6
Farm	*38*	*34*	*15*	*21*	----	----	----
Nonfarm	*707*	*761*	*788*	*811*	*7.6*	*3.6*	*2.9*
Property Income	1705	1957	2263	2561	14.8	15.6	13.2
Transfer Payments	1458	1652	1952	2247	13.0	17.7	15.1
Less: Social Ins. Contributions	685	769	860	1002	12.2	11.8	16.6
Total Earnings	12938	14616	15830	17426	13.0	8.3	10.1
Farm	47	45	27	34	----	----	----
Total Nonfarm	12891	14571	15803	17392	13.0	8.5	10.1
Government	1868	2069	2286	2478	10.8	10.5	8.4
Federal Civilian	*590*	*661*	*681*	*726*	*12.0*	*3.1*	*6.6*
Federal Military	*42*	*52*	*56*	*62*	*4.4*	*7.9*	*9.7*
State & Local	*1229*	*1356*	*1549*	*1690*	*10.3*	*14.3*	*9.1*
Private Nonfarm	11023	12502	13517	14914	13.4	8.1	10.3
Manufacturing	2160	2433	2518	2777	12.6	3.5	10.3
Durables	*1236*	*1393*	*1412*	*1581*	*12.7*	*1.4*	*11.9*
Nondurables	*924*	*1040*	*1106*	*1196*	*12.5*	*6.4*	*8.1*
Contract Construction	684	726	705	784	6.2	-3.0	11.2
Transportation, etc.	1663	1987	2238	2499	19.5	12.6	11.7
Trade	3211	3590	3902	4253	11.8	8.7	9.0
Finance, Ins. & Real Estate	983	1120	1191	1313	13.9	6.3	10.3
Services	2287	2607	2920	3241	14.0	12.0	11.0
Residence Adjustment	-375	-391	-413	-426	----	----	----

*Earnings on a residence basis

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Georgia State University
College of Business Administration
Economic Forecasting Project
May 1980

Table 5

Seasonally Adjusted Nonagricultural Employment

	Georgia					Atlanta				
	79-2	79-3	79-4	80-1(P)	Mar(P)	79-2	79-3	79-4	80-1(P)	Mar(P)
Total	2106.7	2109.8	2133.9	2154.6	2155.8	927.0	930.6	941.9	947.2	945.5
Mining	7.6	7.6	7.7	7.8	7.7	-----	-----	-----	-----	-----
Contract Construction	96.6	95.1	97.4	104.2	100.5	39.4	39.4	39.5	41.7	40.0
Manufacturing	525.6	526.3	529.2	528.7	527.3	141.4	141.7	144.1	142.4	141.8
Durables	*182.9*	*184.0*	*185.9*	*185.3*	*184.9*	*70.2*	*70.7*	*72.2*	*70.1*	*70.0*
Lumber	30.6	30.7	30.8	31.6	31.6	3.3	3.2	3.4	3.6	3.6
Furniture	10.0	10.0	9.7	9.8	10.0	3.7	3.6	3.6	3.4	3.4
Stone, Clay, Glass	17.9	18.0	19.0	18.9	18.6	7.0	7.3	7.6	7.4	7.3
Primary Metals	16.4	16.7	16.8	16.9	17.0	4.9	5.0	5.0	5.2	5.2
Fabricated Metals	21.1	21.0	21.4	21.7	21.9	8.2	8.3	8.1	7.9	7.8
Nonelectrical Machinery	21.4	21.9	22.4	22.6	22.6	6.6	6.8	7.1	7.0	6.9
Electrical Machinery	19.2	19.1	19.4	19.9	19.6	9.1	9.4	9.7	10.0	9.8
Transportation Equipment	34.6	34.9	34.7	32.1	32.0	24.1	23.8	24.3	22.2	22.6
Other Durables	11.7	11.7	11.7	11.8	11.6	3.3	3.3	3.4	3.4	3.4
Nondurables	*342.7*	*342.3*	*343.3*	*343.4*	*342.4*	*71.2*	*71.0*	*71.9*	*72.3*	*71.8*
Food	57.9	57.7	57.9	58.0	57.7	19.2	18.9	19.1	19.4	19.6
Textiles	123.2	122.7	121.8	121.1	121.0	7.4	7.5	7.6	7.4	7.3
Apparel	74.2	74.3	75.4	75.5	75.3	10.0	10.0	10.4	10.2	10.1
Paper	27.8	27.7	27.9	28.2	28.0	7.9	7.6	7.7	7.9	7.8
Printing	22.4	23.0	22.9	23.7	23.9	14.1	14.6	14.8	15.1	14.8
Chemicals	16.1	16.1	16.9	17.2	17.0	6.8	6.6	6.9	7.0	6.9
Leather	2.6	2.5	2.5	2.4	2.3					
Other Nondurables	18.5	18.3	18.0	17.3	17.2	5.8	5.8	5.4	5.3	5.3
Transportation, Comm. & Utilities	135.4	136.1	137.6	139.8	140.5	84.3	85.0	85.8	87.1	87.3
Trade	488.8	491.2	507.7	504.4	504.6	255.2	254.8	265.2	262.3	261.3
Wholesale	*155.1*	*157.5*	*159.8*	*161.1*	*161.9*	*99.3*	*100.8*	*103.2*	*106.4*	*107.2*
Retail	*333.7*	*333.7*	*347.9*	*343.3*	*342.7*	*155.9*	*154.0*	*162.0*	*155.9*	*154.1*
Finance, Ins. & Real Estate	106.7	107.1	108.1	108.5	108.8	63.6	64.3	64.3	63.8	63.7
Services	323.6	337.9	331.3	331.0	333.6	184.8	192.6	189.1	188.6	189.7
Government	422.4	408.5	414.9	430.2	432.8	158.3	152.8	155.9	161.3	161.7
Federal	*82.4*	*84.4*	*80.4*	*79.5*	*79.5*	*32.1*	*32.1*	*30.2*	*29.6*	*29.5*
State & Local	*340.0*	*324.1*	*334.5*	*350.7*	*353.3*	*126.2*	*120.7*	*125.7*	*131.7*	*132.2*